

Message Text

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PAGE 01 STATE 193815
ORIGIN TRSE-00

INFO OCT-01 EUR-12 EA-07 ISO-00 EB-08 AID-05 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 L-03 H-01 /091 R

DRAFTED BY TREAS:MRYSS:DA
APPROVED BY EB/IFD/ODF:MVCREEKMORE
TREAS:DSYVRUD
EXIM:DCHENEY
EB/IFD/ODF:TPARKER
EA/J:HCOCHRAN

-----055355 161810Z /46

R 161548Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO
INFO AMEMBASSY MOSCOW
AMEMBASSY ROME
AMEMBASSY PARIS
AMEMBASSY LONDON

C O N F I D E N T I A L STATE 193815

E.O. 11652: GDS

TAGS: EFIN, ETRD, JA

SUBJECT: JAPANESE CREDIT ARRANGEMENTS WITH USSR

REF: (A) TOKYO 11993, (B) MOSCOW 11113, (C) ROME 12779

1. EMBASSY REQUESTED TO SOLICIT FURTHER INFO FROM MOFA
REP (OHTA) WHICH IS NECESSARY FOR US TO DETERMINE WHETHER
JAPANESE-USSR CREDIT AGREEMENT IS CONSISTENT WITH CONSENSUS
SINCE CONSENSUS CLEARLY REQUIRES THAT INTEREST RATE TO
COUNTRIES SUCH AS USSR WILL BE NOT LESS THAN 7.75 PERCENT
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FOR CREDITS OVER 5 YEARS.

2. EMBASSY SHOULD INDICATE THAT ITALIANS ARE CITING
JAPANESE ACTION AS BASIS FOR POSSIBLE BREACH OF CONSENSUS
IN THEIR NEGOTIATIONS WITH USSR. UNFORTUNATELY, PRECEDENT
BY JAPAN COULD SNOWBALL INTO SERIES OF DEROGATIONS FROM
CONSENSUS AND ULTIMATELY COULD RESULT IN THE BREAKDOWN OF

EFFORTS TO REDUCE COUNTERPRODUCTIVE COMPETITION BETWEEN
OFFICIAL EXPORT CREDIT AGENCIES.

3. FYI. WE SUSPECT THAT JAPANESE MAY BASE THEIR CASE OF
CONSISTENCY WITH CONSENSUS ON THE TECHNICALITY THAT
REPAYMENT PERIOD IS LESS THAN FIVE YEARS. END FYI. IF
JAPANESE DO BASE THEIR POSITION ON THIS TECHNICALITY,

EMBASSY SHOULD STATE THAT AGREEMENT IS, IN ANY EVENT,
CONTRARY TO SPIRIT OF CONSENSUS, IF NOT THE LETTER, SINCE
A GRACE PERIOD OF FOUR YEARS APPEARS EXCESSIVE, AND EXPRESS
USG HOPE THAT JAPANESE GOVERNMENT WILL EXPLAIN ACTION TO
ITALIAN GOVERNMENT IN EFFORT TO DISSUADE THEM FROM
BREACHING CONSENSUS AND CREATING POSSIBLE BASIS FOR BREAK-
DOWN OF CONSENSUS.

4. WOULD APPRECIATE EMBASSY REPORT AS SOON AS POSSIBLE SO
THAT WE CAN DETERMINE NEXT STEPS. VANCE

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NNN

Message Attributes

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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 16-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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